

## Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other		Local Unit Name IDA TOWNSHIP	County MONROE
Fiscal Year End 06/30/07	Opinion Date AUGUST 8, 2007	Date Audit Report Submitted to State SEPTEMBER 7, 2007	

We affirm that:

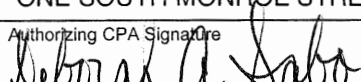
We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- YES NO Check each applicable box below. (See instructions for further detail.)
1. ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
  2. ☒ ☐ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
  3. ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
  4. ☒ ☐ The local unit has adopted a budget for all required funds.
  5. ☒ ☐ A public hearing on the budget was held in accordance with State statute.
  6. ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
  7. ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
  8. ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
  9. ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
  10. ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
  11. ☐ ☒ The local unit is free of repeated comments from previous years.
  12. ☒ ☐ The audit opinion is UNQUALIFIED.
  13. ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
  14. ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
  15. ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

<b>We have enclosed the following:</b>	Enclosed	Not Required (enter a brief justification)	
Financial Statements	<input checked="" type="checkbox"/>		
The letter of Comments and Recommendations	<input checked="" type="checkbox"/>		
Other (Describe)	<input type="checkbox"/>		
Certified Public Accountant (Firm Name) COOLEY HEHL WOHLGAMUTH & CARLTON, PLLC		Telephone Number (734) 241-7200	
Street Address ONE SOUTH MONROE STREET		City MONROE	State MI
		Zip 48161	
Authorizing CPA Signature 	Printed Name DEBORAH A. SABO		License Number 1101025211

IDA TOWNSHIP  
Monroe County, Michigan

ANNUAL FINANCIAL REPORT

June 30, 2007

# IDA TOWNSHIP

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COOLEY HEHL  
WOHLGAMUTH & CARLTON  
P. L. L. C. Certified Public Accountants

James R. Cooley, CPA  
David K. Hehl, CPA  
Robert W. Wohlgamuth, CPA  
Peter H. Carlton, CPA  
Matthew D. Hehl, CPA  
Deborah A. Sabo, CPA

One South Monroe Street • Monroe, Michigan 48161-2281  
Telephone: (734) 241-7200 • Fax: (734) 241-2637  
www.chwccpa.com

Members:  
American Institute of Certified Public Accountants  
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Division for CPA Firms American Institute of  
Certified Public Accountants

Independent Auditor's Report

Township Board  
Ida Township  
Monroe County, Michigan

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Ida Township, Monroe County, Michigan as of and for the year ended June 30, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Ida Township, Monroe County, Michigan management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Ida Township, Monroe County, Michigan as of June 30, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 2 through 8 and 30 through 32, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Ida Township, Monroe County, Michigan basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

*Cooley Hehl Wohlgamuth & Carlton*

August 8, 2007

# IDA TOWNSHIP

## *Management's Discussion and Analysis Year Ended June 30, 2007*

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This section of Ida Township's annual financial report presents our discussion and analysis of the Township's financial performance during the fiscal year ended June 30, 2007. Please read it in conjunction with the Township's financial statements, which immediately follow this section. This summary should not be taken as a replacement for the audit which consists of the financial statements and other supplemental information that presents all the Township's revenues and expenditures by program for the General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds.

The Governmental Accounting Standards Board (GASB) adopted this reporting model in *Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued June, 2000. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

### **Using this Annual Report**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Ida Township financially as a whole. The ***Government-Wide Financial Statements***, which include the Statement of Net Assets and the Statement of Activities, provide information about the activities of the Township as a whole and presents both a short-term and a long-term view of those finances. The ***Fund Financial Statements*** provide the next level of detail. For governmental activities, these statements explain how services were financed in the short-term as well as what remains for future spending. The ***Fund Financial Statements*** report the Township's operations in more detail than the ***Government-Wide Financial Statements*** by providing information about the Township's most significant funds - the General Fund, the Sewer Receiving Fund, and the Water District #1 Debt Fund, with all other funds presented in one column as nonmajor funds. The remaining statements, the Statement of Fiduciary Net Assets, presents financial information about activities for which the Township acts solely as an agent for the benefit of the public. The following summary illustrates how the various parts of this annual report are arranged:

*Management's Discussion and Analysis (MD&A)*  
*(Required Supplemental Information)*

### Basic Financial Statements

*Government-Wide Financial Statements*      *Fund Financial Statements*

*Notes to the Basic Financial Statements*

*Budgetary Information for Major Funds*  
*(Required Supplemental Information)*

*Other Supplemental Information*

## IDA TOWNSHIP

### *Management's Discussion and Analysis* *Year Ended June 30, 2007*

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#### **Government-Wide Financial Statements**

The Statement of Net Assets and the Statement of Activities (pages 9-10), which appear first in the Township's financial statements, report information on the Township as a whole and its activities. These statements include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the Township's net assets and changes in them. The change in net assets provides the reader a tool to assist in determining whether the Township's financial health is improving or deteriorating. The relationship between revenues and expenses indicates the Township's operating results. However, the Township's goal is to provide services to our residents, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the services provided and the safety of the public to assess the overall health of the Township.

The Statement of Net Assets and Statement of Activities report the governmental activities for the Township, which encompass all of the Township's services, including general government services, public safety, public works, culture and recreation. Property taxes, state grants, charges for services, and interest finance most of these activities.

#### **Fund Financial Statements**

The Township's Fund Financial Statements (pages 11-17) provide detailed information about the most significant or "major" funds - not the Township as a whole. Some funds are required to be established by State law and by bond covenants. However, the Township establishes other funds to control and manage money for particular purposes or to show that it is properly using revenues. The Township's two types of funds, governmental and fiduciary, use different accounting approaches as described below:

**Governmental funds** - All of the Township's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the operations of the Township and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Township's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation format in the financial section on pages 13 and 16.

**Fiduciary funds** - An Agency Fund is used to account for assets held by the Township as an agent for the collection and disbursement of property taxes.

## IDA TOWNSHIP

### *Management's Discussion and Analysis* *Year Ended June 30, 2007*

#### Government-Wide Financial Analysis

Recall that the Statement of Net Assets provides the perspective of the Township as a whole. Table 1 provides a summary of the Township's net assets as of June 30, 2007 and 2006.

**Table 1:**

#### **Condensed Statement of Net Assets** **June 30, 2007 and 2006**

	Governmental Activities	
	2007	2006
Current and other assets	\$3,252,185	\$3,360,769
Capital assets	<u>3,841,862</u>	<u>3,885,741</u>
<b>Total Assets</b>	7,094,047	7,246,510
Current and other liabilities	92,407	131,398
Long-term liabilities	<u>2,113,683</u>	<u>2,490,360</u>
<b>Total Liabilities</b>	<u>2,206,090</u>	<u>2,621,758</u>
Net Assets		
Invested in capital assets, net of related debt	1,728,179	1,395,381
Restricted for:		
Debt service	2,104,789	2,106,243
Capital projects	-	89,899
Public works	136,600	156,518
Fire protection	85,082	71,190
Liquor law enforcement	1,344	472
Recreation and cultural	10,654	11,198
Unrestricted	<u>821,309</u>	<u>769,670</u>
<b>Total Net Assets</b>	<u>\$4,887,957</u>	<u>\$4,624,752</u>

As depicted in Table 1, the Township's net assets were \$4,887,957 at June 30, 2007. Of this amount, a positive \$821,309 was unrestricted. This amount represents the *accumulated* results of all past years' operations. The unrestricted net asset balance is used for working capital and cash flow needs as well as to provide for future uncertainties. It means that if we had to pay off all of our bills *today*, including all of our noncapital liabilities we could with our current resources. The operating results of the General Fund will have a significant impact on the change in unrestricted net assets from year to year.

The results of this year's operations for the Township as a whole are reported in the Statement of Activities (Table 2), which shows the changes in net assets for the fiscal year ended June 30, 2007 and 2006.



# IDA TOWNSHIP

## *Management's Discussion and Analysis* *Year Ended June 30, 2007*

### Government-Wide Financial Analysis - Concluded

**Table 2:**

#### Changes in Net Assets Years Ended June 30, 2007 and 2006

	<u>Governmental Activities</u>	
	<u>2007</u>	<u>2006</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 263,599	\$ 290,565
Operating grants and contributions	1,861	2,196
Capital grants and contributions	<u>1,648</u>	<u>(8,556)</u>
	267,108	284,205
General revenues:		
Property taxes	351,844	331,619
State grants	334,298	340,336
Other general revenues	<u>173,270</u>	<u>209,736</u>
	<u>859,412</u>	<u>881,691</u>
Total Revenues	1,126,520	1,165,896
<b>Functions/Program Expenses</b>		
Legislative	9,801	9,334
General government	323,112	302,641
Public safety	182,353	225,560
Public works	232,004	308,263
Recreation and cultural	12,619	11,836
Interest on long-term debt	<u>103,426</u>	<u>121,428</u>
Total Expenses	<u>863,315</u>	<u>979,062</u>
<b>Increase (Decrease) in Net Assets</b>	<b>\$ <u>263,205</u></b>	<b>\$ <u>186,834</u></b>

As indicated in Table 2, the cost of *all governmental* activities this year was \$863,315. Of this amount, \$267,108 was subsidized with revenue generated from charges for services, grants and other contributions with the remaining costs financed with general revenues.

The Township experienced an increase in net assets of \$263,205. The increase in net assets differs from the change in fund balance. A reconciliation of the change in fund balances to the change in net assets appears on page 16.

# IDA TOWNSHIP

## *Management's Discussion and Analysis* *Year Ended June 30, 2007*

### Fund Financial Analysis

As noted earlier, the Township uses funds to help control and manage money for particular purposes. Looking at funds helps the reader consider whether Ida Township is being held accountable for the resources taxpayers and others provide to it and may give more insight into the Township's overall financial health.

As the Township completed this year, the governmental funds reported a combined fund balance of \$1,590,471 which is an increase of \$73,473 from last year. The changes by major and nonmajor funds are as follows:

	<u>General Fund</u>	<u>Sewer Receiving Fund</u>	<u>Water District #1 Debt Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>Fund balances - Beginning of year</b>	\$713,349	\$135,573	\$406,500	\$261,576	\$1,516,998
Increase (decrease)	<u>59,150</u>	<u>(7,152)</u>	<u>127,657</u>	<u>(106,182)</u>	<u>73,473</u>
<b>Fund balances - End of year</b>	<u>\$772,499</u>	<u>\$128,421</u>	<u>\$534,157</u>	<u>\$155,394</u>	<u>\$1,590,471</u>

The Township's General Fund balance increase is due to many factors. The tables that follow assist in illustrating the financial activities of the General Fund.

<b>Revenues</b>	<u><b>June 30, 2007</b></u>	<u><b>June 30, 2006</b></u>	<u><b>Percent Change</b></u>
Property taxes and special assessments	\$192,376	\$180,314	6.69 %
Licenses and permits	13,369	30,612	(56.33)%
State grants	334,298	340,336	(1.77)%
Charges for services	57,065	63,076	(9.53)%
Interest	24,291	18,274	32.93 %
Other	15,006	31,982	(53.08)%
Operating transfers in	<u>21,977</u>	<u>820</u>	(2,580.12)%
	<u><u>\$658,382</u></u>	<u><u>\$665,414</u></u>	(1.06)%

## IDA TOWNSHIP

### *Management's Discussion and Analysis* *Year Ended June 30, 2007*

#### **Fund Financial Analysis – Concluded**

Licenses and permits decreased during 2007 due to a decrease in quarry revenue since quarry activity decreased. Charges for services decreased due to a decrease in the number of fire runs to Raisinville Township. Interest income increased due to prudent investing of funds. Other revenue decreased due to a decrease in overhead revenue, and the prior year reported two year's of Metro Act revenue. Operating transfers increased due to reimbursement for expenditures from the Improvement Revolving Fund and the Fire Millage Fund.

<b>Expenditures</b>	<b>June 30, 2007</b>	<b>June 30, 2006</b>	<b>Percent Change</b>
Legislative	\$ 9,801	\$ 9,334	5.00 %
General government	244,363	228,195	7.09 %
Public safety	52,917	70,539	(24.98)%
Public works	174,820	264,211	(33.83)%
Recreation and cultural	25,858	955	2,607.64 %
Other	57,114	56,075	1.85 %
Debt service	32,383	36,390	(11.01)%
Operating transfers out	1,976	83,250	(97.62)%
	<u>\$599,232</u>	<u>\$748,949</u>	(19.99)%

Public safety expenditures decreased due to the payment to the Ida Volunteer Fire Department in the prior year for community promotions which was for two years. Public works decreased due to a decrease in expenditures for the repair and maintenance of roads. Recreation and cultural expenditures were higher due to the construction (engineering fees) for the playground/park.

#### **General Fund Budgetary Highlights**

The Uniform Budget Act of the State of Michigan requires the Township Board to adopt the original budget for the upcoming fiscal year prior to July 1, the start of the fiscal year. Over the course of the year, the Township revises its budget as it attempts to deal with the unexpected changes in revenues and expenditures. State law requires that the budget be amended to ensure that expenditures do not exceed appropriations. A schedule illustrating the Township's original and final budget amounts compared with amounts actually paid and received is provided in the required supplemental information of these financial statements. Revisions to the General Fund original budget were as follows:

The revisions made to the original budget and the final amended budgets were relatively minor. Original revenues of \$699,455 were amended to \$653,355. The revenue budget included a Federal grant of \$65,000 for a playground/park; however, the grant was not received this year. The original budget for expenditures was \$863,676; the final budget was \$873,576. The increase in the expenditure budget was mainly for the general government and public safety.

## **IDA TOWNSHIP**

### *Management's Discussion and Analysis Year Ended June 30, 2006*

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#### **Capital Asset and Debt Administration**

##### **Capital Assets**

At June 30, 2007, the Township had \$4,721,677 invested in a broad range of capital assets, including land, land improvements, building and improvements, machinery and equipment, vehicles, and a water line. This amount represents a net increase (including additions and disposals) of \$51,671 from last year. The additions were for office equipment, fence, 2001 Chevrolet Tahoe for the fire department, and park construction. The water line construction was completed. Depreciation for this year totaled \$95,550. Detailed information regarding capital assets is included in Note 8 to the financial statements.

##### **Debt**

At June 30, 2007, the Township had \$2,113,683 in contract liability and loans payable. The sewer and water bonds continue to be paid through collections of special assessments. The Library and Township Hall loan payable is paid through the tax levy. Detailed information regarding debt is included in Note 5 to the financial statements.

#### **Development of the 2007-08 Fiscal Year Budget**

Our elected officials consider many factors when setting the Township's 2007-08 fiscal year budget.

The revenue budget for the 2007-08 fiscal year is consistent with the prior year. The Township budgeted revenues as close to actual as possible with the revenues remaining stable when compared to the 2006-07 actual revenues. However, this budget includes a decrease for state shared revenue.

The expenditure budget for the 2007-08 fiscal year is \$849,523. The budget increases appropriations for the fire department by approximately \$8,000 and increases roads by \$89,250. There are several areas with a decrease in appropriations: elections decreased by approximately \$9,300; building and grounds decreased by \$11,550 for professional services, repairs/maintenance, and capital outlay; cemetery decreased by approximately \$4,000.

#### **Contacting Ida Township's Business Office**

This financial report is designed to provide the Township's citizens, taxpayers, customers, investors and creditors with a general overview of the Township's finances and to demonstrate their accountability for the money it receives. If you have questions about this report or need additional information, contact the Ida Township Clerk, 3016 Lewis Avenue, P.O. Box 239, Ida, MI 48140.

**IDA TOWNSHIP***Statement of Net Assets**June 30, 2007*

	Governmental Activities
<b>Assets</b>	
Cash and cash equivalents	\$1,322,096
Cash with fiscal agent	13,732
Receivables:	
Accounts and accrued interest	66,904
Special assessment	1,688,661
Sewer tap	15,363
Prepaid expense	33,234
Due from other governmental units	112,195
Depreciable capital assets, net	3,841,862
Total Assets	7,094,047
<b>Liabilities</b>	
Accounts payable	41,705
Accrued interest payable	15,325
Customer deposits	1,280
Performance bonds	34,097
Long-term liabilities:	
Due within one year	313,683
Due in more than one year	1,800,000
Total Liabilities	2,206,090
<b>Net Assets</b>	
Invested in capital assets, net of related debt	1,728,179
Restricted for:	
Debt service	2,104,789
Public works	136,600
Fire protection	85,082
Liquor law enforcement	1,344
Recreation and cultural	10,654
Unrestricted	821,309
Total Net Assets	\$4,887,957

See accompanying notes to the basic financial statements.

**IDA TOWNSHIP**

*Statement of Activities*

*Year Ended June 30, 2007*

		Program Revenues			Net (Expense)
			Operating	Capital	Revenue and
		Charges	Grants and	Grants and	Changes in
	Expenses	for Services	Contributions	Contributions	Net Assets
<b>Functions/Programs</b>					<b>Governmental</b>
					<b>Activities</b>
Governmental Activities:					
Legislative	\$9,801	\$0	\$0	\$0	(\$9,801)
General government	323,112	20,569	0	0	(302,543)
Public safety	182,353	71,296	1,861	0	(109,196)
Public works	232,004	171,734	0	1,648	(58,622)
Recreation and cultural	12,619	0	0	0	(12,619)
Interest on long-term debt	103,426	0	0	0	(103,426)
Total Governmental Activities	<u>\$863,315</u>	<u>\$263,599</u>	<u>\$1,861</u>	<u>\$1,648</u>	(596,207)
General Revenues:					
Property taxes					351,844
State grants					334,298
Interest and investment earnings					150,566
Other					<u>22,704</u>
Total General Revenues					<u>859,412</u>
<b>Change in Net Assets</b>					263,205
Net Assets - Beginning of year					<u>4,624,752</u>
Net Assets - End of year					<u>\$4,887,957</u>

See accompanying notes to the basic financial statements.

# IDA TOWNSHIP

## Governmental Funds Balance Sheet June 30, 2007

	General	Sewer Receiving	Water District #1 Debt
<b>Assets</b>			
Cash and cash equivalents	\$687,512	\$43,577	\$428,511
Cash with fiscal agent	0	12,115	1,617
Receivables:			
Accounts and accrued interest	8,800	57,366	0
Special assessment	0	0	1,688,661
Sewer tap	0	15,363	0
Prepaid expenditures	30,286	0	0
Due from other funds	10,431	0	0
Due from other governmental units	112,195	0	0
Total Assets	<u>\$849,224</u>	<u>\$128,421</u>	<u>\$2,118,789</u>
<b>Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$41,348	\$0	\$0
Due to other funds	0	0	0
Deferred revenue	0	0	1,584,632
Customer deposits	1,280	0	0
Performance bonds	34,097	0	0
Total Liabilities	76,725	0	1,584,632
<b>Fund Balances</b>			
Reserved for streetlights	9,504	0	0
Reserved for sludge removal	0	15,078	0
Reserved for debt service	0	0	534,157
Unreserved - designated for park	46,090	0	0
Unreserved:			
Undesignated, reported in:			
General Fund	716,905	0	0
Special Revenue Funds	0	113,343	0
Capital Projects Fund	0	0	0
Total Fund Balances	<u>772,499</u>	<u>128,421</u>	<u>534,157</u>
Total Liabilities and Fund Balances	<u>\$849,224</u>	<u>\$128,421</u>	<u>\$2,118,789</u>

See accompanying notes to the basic financial statements.

Other Nonmajor Governmental Funds	Totals
\$162,496	\$1,322,096
0	13,732
738	66,904
0	1,688,661
0	15,363
2,948	33,234
0	10,431
0	112,195
<u>\$166,182</u>	<u>\$3,262,616</u>
\$357	\$41,705
10,431	10,431
0	1,584,632
0	1,280
0	34,097
10,788	1,672,145
0	9,504
0	15,078
0	534,157
0	46,090
0	716,905
70,312	183,655
85,082	85,082
155,394	1,590,471
<u>\$166,182</u>	<u>\$3,262,616</u>



**IDA TOWNSHIP***Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets**June 30, 2007*

<b>Total Fund Balances - Governmental Funds</b>		<b>\$1,590,471</b>
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds:		
Cost of the capital assets	\$4,721,677	
Accumulated depreciation	<u>(879,815)</u>	
		3,841,862
Other long-term assets are not available to pay for current-period expenditures and therefore are offset by deferred revenue in the funds		
		1,584,632
Long-term liabilities, including bonds payable and accrued interest payable, are not due and payable in the current period and therefore are not reported in the funds:		
Contract liability	(2,067,190)	
Loan payable	(46,493)	
Accrued interest	<u>(15,325)</u>	
		<u>(2,129,008)</u>
<b>Total Net Assets - Governmental Activities</b>		<b><u>\$4,887,957</u></b>

See accompanying notes to the basic financial statements.

**IDA TOWNSHIP**

*Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended June 30, 2007*

	<u>General</u>	<u>Sewer Receiving</u>	<u>Water District #1 Debt</u>
<b>Revenues</b>			
Property taxes and special assessments	\$192,376	\$0	\$131,459
Licenses and permits	13,369	0	0
State grants	334,298	0	0
Charges for services	57,065	187,021	0
Interest	24,291	5,166	114,871
Other revenue	15,006	0	0
	<hr/>	<hr/>	<hr/>
Total Revenues	636,405	192,187	246,330
<b>Expenditures</b>			
Legislative	9,801	0	0
General government	244,363	0	0
Public safety	52,917	0	0
Public works	174,820	36,299	1,496
Recreation and cultural	25,858	0	0
Other	57,114	0	0
Capital outlay	0	0	0
Debt service	32,383	163,040	207,415
	<hr/>	<hr/>	<hr/>
Total Expenditures	597,256	199,339	208,911
Excess (Deficiency) of Revenue Over Expenditures	39,149	(7,152)	37,419
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	21,977	0	90,238
Operating transfers out	(1,976)	0	0
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	20,001	0	90,238
<b>Net Change in Fund Balances</b>	59,150	(7,152)	127,657
Fund Balances - Beginning of year	713,349	135,573	406,500
	<hr/>	<hr/>	<hr/>
Fund Balances - End of year	\$772,499	\$128,421	\$534,157
	<hr/>	<hr/>	<hr/>

See accompanying notes to the basic financial statements.

Other Nonmajor Governmental Funds	Total Governmental Funds
\$159,468	\$483,303
24,596	37,965
1,861	336,159
0	244,086
6,238	150,566
4,533	19,539
196,696	1,271,618
0	9,801
0	244,363
92,878	145,795
19,389	232,004
1,075	26,933
0	57,114
0	0
79,297	482,135
192,639	1,198,145
4,057	73,473
1,976	114,191
(112,215)	(114,191)
(110,239)	0
(106,182)	73,473
261,576	1,516,998
\$155,394	\$1,590,471

**IDA TOWNSHIP**

*Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of  
Governmental Funds to the Statement of Activities  
Year Ended June 30, 2007*

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$73,473</b>
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; in the statement of activities, these costs are allocated over their estimated useful lives as depreciation expense.	
Depreciation expense	(\$95,550)
Capital outlay	<u>51,671</u>
	(43,879)
Accrued interest is recorded in the statement of activities when incurred; it is not reported in governmental funds until paid.	2,032
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds.	(145,098)
Repayments of bond principal is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt).	<u>376,677</u>
<b>Change in Net Assets of Governmental Activities</b>	<b><u>\$263,205</u></b>

See accompanying notes to the basic financial statements.

**IDA TOWNSHIP**

*Agency Fund  
Statement of Fiduciary Net Assets  
June 30, 2007*

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		Tax Collection Agency Fund
<b>Assets</b>		
Cash		<u>\$3,752</u>
<b>Liabilities and net assets</b>		
Due to other governmental units		<u>\$3,752</u>

See accompanying notes to the basic financial statements.

## IDA TOWNSHIP

### *Notes to Financial Statements* *Year Ended June 30, 2007*

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Note 1      Description of the Township and Reporting Entity

The Township operates under a locally elected five member Board form of government.

Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to insure that the financial statements are not misleading. The primary government of the Township consists of all funds, departments, boards, and agencies that are not legally separate from the Township. For the Township, this includes general operations, library, fire, debt, and construction of the Township.

Component units are legally separate organizations for which the Township is financially accountable. Component units may also include organizations that are fiscally dependent on the Township in that the Township approves their budget, the issuance of their debt, or the levying of taxes. The Township has no component units.

Note 2      Summary of Significant Accounting Policies

The financial statements of Ida Township have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Following are the more significant of the Township's accounting policies.

Basis of Presentation

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government. As a general rule, the effect of interfund activity has been eliminated from the government-wide statements. All of the Township's government-wide activities are considered to be governmental activities. The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Amounts reported as program revenue include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. General revenue includes taxes, intergovernmental payments, and other items not properly included among program revenues.

Separate financial statements are provided for governmental funds and agency funds, even though the latter are excluded from the government-wide financial statements. Individual major governmental funds are reported as separate columns in the fund financial statements.

## IDA TOWNSHIP

### *Notes to Financial Statements* *Year Ended June 30, 2007*

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#### Note 2      Summary of Significant Accounting Policies (Continued) Basis of Presentation (Continued)

##### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Statements - The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, intergovernmental grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. All other revenue items are considered to be available only when cash is received by the Township.

When both restricted and unrestricted resources are available of use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

Agency fund statements also are reported using the economic resources measurement focus and the cash basis of accounting.

The Township reports the following major governmental funds:

The General Fund is the Township's primary operating fund. The General Fund accounts for all financial resources of the Township, except those required to be accounted for in another fund.

The Sewer Receiving Fund accounts for collection of tap-in, operation and maintenance, and user charges for the Ida-Raisinville Sewer System.

The Water District #1 Debt Fund accounts for the collection of special assessments used to pay the cost of a \$2,155,000 bond issue.

## IDA TOWNSHIP

### *Notes to Financial Statements Year Ended June 30, 2007*

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#### Note 2      Summary of Significant Accounting Policies (Continued)

##### Basis of Presentation (Continued)

##### B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Concluded)

The Township reports the following nonmajor governmental funds:

The Liquor Law Enforcement Fund, Improvement Revolving Fund, Building Department Fund, Budget Stabilization Fund, Ida Branch Library Fund, Fire Millage Fund, and Water District #1 Construction Fund are the Township's nonmajor governmental funds. These funds are used to account for specific revenue sources that are restricted for a particular purpose.

##### C. Assets, Liabilities, and Net Assets or Equity

Deposits and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value.

Property Tax Receivable - Property taxes are assessed as of December 31 and the related property taxes become a lien on December 1 of the following year. Taxes are considered delinquent February 15 of the following year. Summer taxes are billed July 1 and due by September 14.

Prepaid Assets - Payments made to vendors for services that will benefit periods beyond June 30, 2007, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

Capital Assets - General capital assets are those assets related to the general activities and expenditures reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported on the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and reductions during the year. Donated fixed assets are recorded at their fair market values as of the date received. The Township maintains a capitalization threshold of one thousand dollars. The Township has elected not to retroactively report infrastructure assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

All reported capital assets, other than land, are depreciated. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land improvement	20 years
Buildings and buildings improvements	50 years
Machinery and equipment	5-20 years
Vehicles	8 years
Water line	50 years

DueTo/From Balances - On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "due to/from other funds." These amounts are eliminated in the governmental activities column of the statement of net assets.



## IDA TOWNSHIP

### *Notes to Financial Statements Year Ended June 30, 2007*

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Note 2      Summary of Significant Accounting Policies (Continued)  
Basis of Presentation (Continued)  
C. Assets, Liabilities, and Net Assets or Equity (Continued)

Accrued Liabilities and Long-Term Obligations - All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, claims and judgments, that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Payments of long-term loans are recognized as an expenditure on the governmental fund financial statements when due.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors or laws, or regulations of other governments.

Interfund Transactions - Exchange transactions between funds are reported as revenues in the seller funds and as expenditures in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures to the funds that initially paid for them are not presented on the financial statements.

Fund Balance Reserves and Designations - In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

- D. Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported on the financial statements and accompanying notes. Actual results may differ from those estimates.
- E. Extraordinary and Special Items - Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Township and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during fiscal year 2007.
- F. Budgetary Policies - The budgetary process is prescribed by provisions of the State of Michigan Budget Act and entails the preparation of budgetary documents within an established timetable. The General Fund and all Special Revenue Funds are legally required to be budgeted and appropriated. The legal level of budgetary control has been established by the Township Board at the function level. Any budgetary modifications may only be made by resolution of the Township Board.

## IDA TOWNSHIP

### *Notes to Financial Statements* *Year Ended June 30, 2007*

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#### Note 2      Summary of Significant Accounting Policies (Concluded)

##### Basis of Presentation (Concluded)

##### F. Budgetary Policies (Concluded)

The Township follows these procedures in establishing the budgets for the individual funds as reflected in the financial statements.

1. Prior to June 30, the Treasurer submits to the Township Board a proposed operating budget for the fiscal year commencing on July 1.
2. A public hearing is conducted during June to obtain taxpayer comments.
3. Prior to June 30, the budget is legally enacted through passage of a resolution.
4. During the year, the budget is monitored and amendments to the budget resolution are made when deemed necessary.
5. Lapsing of Appropriations - At the close of each year all unspent appropriations revert to the respective funds from which they were appropriated and become subject to future appropriations.

#### Note 3      Stewardship, Accountability and Compliance

The Township shall not incur expenditures in excess of the amount appropriated. Annual budgets are adopted on a basis that is consistent with generally accepted accounting principles and State Law for the General and Special Revenue Funds.

In the required supplemental information, the Township's actual expenditures and budgeted expenditures for the budgetary funds have been shown on a functional basis, which is the adopted legal level of control.

During the year ended June 30, 2007, expenditures exceeded final budgeted amounts in the following funds:

	<u>Final Budget</u>	<u>Actual Expenditures</u>	<u>Variance</u>
Ida Branch Library Fund	\$71,620	\$80,372	\$(8,752)

#### Note 4      Property Tax

The Township bills and collects its own property taxes and also taxes for the County of Monroe, Ida Public Schools, Summerfield Schools, Monroe County Intermediate School District and Monroe County Community College. Tax collections are accounted for in the Tax Collection Agency Fund. The Township tax levy for the 2006-2007 fiscal year was spread as follows:

General Fund	0.8256
Fire Department Millage Fund	0.4924
Ida Branch Library Fund	<u>0.4802</u>
	<u>1.7982</u>

The Township's 2006 property taxes, levied on December 1, 2006 on assessed valuation as of December 31, 2005, were due and payable by February 14, 2007. Summer taxes are billed July 1 and are due September 14. Taxable values, which amounted to \$163,993,249 are based on a percentage of the fair market value of the assessed property. Property tax revenue is recorded when the taxes are levied.

# IDA TOWNSHIP

## Notes to Financial Statements Year Ended June 30, 2007

Note 4      Property Tax (Concluded)  
For the year ended June 30, 2007, the Township also billed and retained \$38,582 as administrative fees for the above tax collection.

Note 5      Long-Term Debt  
The following is a summary of long-term debt outstanding as of June 30, 2007:

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Original Maturity Dates</u>	<u>Amount of Issue</u>	<u>Balance Outstanding</u>
Contract liability for:					
Sewage Disposal					
Refunding Bonds	3.000%-				
(Ida/Raisinville #1)	5.400%	12/01/93	11/1/94-07	\$1,625,320	\$ 147,190
Water Supply System Bonds					
(Township of Ida System No.1)	2.000%-				
Series 2004	4.875%	6/23/04	5/01/04-23	2,155,000	1,920,000
Loan Payable for:					
Library and Township					
Hall	3.750%	6/17/03	6/17/03-08	500,000	<u>46,493</u>
					<u>\$2,113,683</u>

Changes in bond principal during the 2006-07 fiscal period are summarized as follows:

	<u>Balance June 30, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2007</u>	<u>Due In One Year</u>
Sewage Disposal					
Refunding Bonds					
(Ida/Raisinville #1)	\$ 297,970	\$ -	\$150,780	\$ 147,190	\$147,190
Limited Tax Water					
Supply System Bonds					
(Township of Ida System No. 1)					
Series 2004	2,040,000	-	120,000	1,920,000	120,000
Library and Township					
Hall - Loan Payable	<u>152,390</u>	<u>-</u>	<u>105,897</u>	<u>46,493</u>	<u>46,493</u>
	<u>\$2,490,360</u>	<u>\$ -</u>	<u>\$376,677</u>	<u>\$2,113,683</u>	<u>\$313,683</u>

# IDA TOWNSHIP

## Notes to Financial Statements Year Ended June 30, 2007

### Note 5      Long-Term Debt (Continued)

The following are the repayment schedules of the June 30, 2007 balances:

Contract liability for Sewage Disposal Refunding Bonds (Ida/Raisinville Townships System #1) - original issue of \$2,270,000, with the Township's share equaling \$1,625,320. The bonds were issued December 1, 1993 by the County of Monroe to advance refund the Limited Tax Sewage Disposal Bonds. Ida Township is financing their portion of these costs through a special assessment levied against the benefitting property owners and a monthly user debt service charge:

Fiscal Year	Interest Due		Principal Due	Totals
	November 1	May 1	November 1	
2008	<u>\$5,535</u>	<u>\$0</u>	<u>\$205,000</u>	<u>\$210,535</u>
		\$5,535	\$205,000	\$210,535
		<u>x .7180</u>	<u>x .7180</u>	<u>x .7180</u>
Ida Township's Portion		<u>\$3,974</u>	<u>\$147,190</u>	<u>\$151,164</u>

Allocation of debt service is based on the total number of residence equivalency units (REUs) for each township, and is recomputed on an annual basis. As of June 30, 2007, Ida Township's allocation is 71.80%.

Contract Liability for General Obligation Water Supply System Bonds - Contract Liability with Monroe County - Water Supply System Bonds (Township of Ida System No. 1), Series 2004 (Limited Tax General Obligation). The bonds were issued June 01, 2004, by the County of Monroe to pay for the construction of water supply improvements in special assessment district number one. These bonds are a general obligation of the Township and are being financed through a special assessment levied against homeowners benefitting from the construction.

# IDA TOWNSHIP

## Notes to Financial Statements Year Ended June 30, 2007

### Note 5 Long-Term Debt (Concluded)

Fiscal Year	Interest Due		Principal Due	Totals
	November 1	May 1	May 1	
2008	\$42,000	\$42,000	\$120,000	\$204,000
2009	39,750	39,750	120,000	199,500
2010	37,500	37,500	120,000	195,000
2011	35,100	35,100	120,000	190,200
2012	32,700	32,700	120,000	185,400
2013	30,300	30,300	120,000	180,600
2014	27,750	27,750	120,000	175,500
2015	25,200	25,200	120,000	170,400
2016	22,650	22,650	120,000	165,300
2017	19,950	19,950	120,000	159,900
2018	17,250	17,250	120,000	154,500
2019	14,400	14,400	120,000	148,800
2020	11,550	11,550	120,000	143,100
2021	8,700	8,700	120,000	137,400
2022	5,850	5,850	120,000	131,700
2023	2,925	2,925	120,000	125,850
	<u>\$373,575</u>	<u>\$373,575</u>	<u>\$1,920,000</u>	<u>\$2,667,150</u>

Loan payable for Library and Township Hall - on June 17, 2003, the Township entered into a purchase agreement with Monroe Bank & Trust. The purchase agreement is to provide/build a library and Township hall for a total aggregate purchase price of \$500,000. The Township is financing these costs through a tax millage.

<u>Due Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
06/15/08	<u>\$46,493</u>	<u>\$1,741</u>	<u>\$48,234</u>

The annual requirements to pay principal and interest on the long-term debt outstanding at June 30, 2007 are as follows:

<u>Fiscal Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 313,683	\$ 89,715	\$ 403,398
2009	120,000	79,500	199,500
2010	120,000	75,000	195,000
2011	120,000	70,200	190,200
2012	120,000	65,400	185,400
2013-2017	600,000	251,700	851,700
2018-2022	600,000	115,500	715,500
2023	120,000	5,850	125,850
	<u>\$2,113,683</u>	<u>\$752,865</u>	<u>\$2,866,548</u>

# IDA TOWNSHIP

## Notes to Financial Statements Year Ended June 30, 2007

### Note 6      Interfund Payables and Receivables Such balances at June 30, 2007 were:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund:		
Budget Stabilization Fund	\$ 1,673	\$ -
Building Department Fund	8,758	-
Budget Stabilization Fund:		
General Fund	-	1,673
Building Department Fund:		
General Fund	-	8,758
	<u>\$10,431</u>	<u>\$10,431</u>

Interfund balances reflect temporary loans and reimbursements due in the normal course of interfund activity.

### Note 7      Interfund Transfers Interfund transfers at June 30, 2007, consisted of the following:

	<u>Transfers Out</u>					
	<u>General Fund</u>	<u>Improvement Revolving Fund</u>	<u>Budget Stabilization Fund</u>	<u>Fire Millage Fund</u>	<u>Water District #1 Construction Fund</u>	<u>Total</u>
<u>Transfers In:</u>						
General Fund	\$ -	\$12,596	\$1,081	\$8,300	\$ -	\$ 21,977
Liquor Law						
Enforcement Fund	1,400	-	-	-	-	1,400
Building Department Fund	576	-	-	-	-	576
Water District #1						
Debt Fund	-	-	-	-	90,238	90,238
	<u>\$1,976</u>	<u>\$12,596</u>	<u>\$1,081</u>	<u>\$8,300</u>	<u>\$90,238</u>	<u>\$114,191</u>

The transfer from the Improvement Revolving Fund to the General Fund was for reimbursement of a prior year General Fund payable. The transfer from the Budget Stabilization Fund to the General Fund represents the return of interest revenue. The transfer from the Fire Millage Fund to the General Fund is for the reimbursement of expenditures. The transfer from the General Fund to the Liquor Law Enforcement Fund was to assist the Liquor Law Enforcement Fund with expenditures. The transfer from the General Fund to the Building Department Fund was to eliminate a fund deficit. The transfer from the Water District #1 Construction Fund to the Water District #1 Debt Fund was to close the Water District #1 Construction Fund.

**IDA TOWNSHIP**

*Notes to Financial Statements  
Year Ended June 30, 2007*

**Note 8**

**Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2007:

	Balance July 1, 2006	Additions	Deletions	Balance June 30, 2007
Assets not being depreciated:				
Land	\$115,188	\$0	\$0	\$115,188
Construction in progress	2,287,553	25,195	(2,287,553)	25,195
	<u>2,402,741</u>	<u>25,195</u>	<u>(2,287,553)</u>	<u>140,383</u>
Capital assets being depreciated:				
Land improvements	6,200	1,266	0	7,466
Building and building improvements	1,413,490	1,482	0	1,414,972
Machinery and equipment	352,394	4,229	0	356,623
Vehicles	495,181	19,499	0	514,680
Water line	0	2,287,553	0	2,287,553
	<u>2,267,265</u>	<u>2,314,029</u>	<u>0</u>	<u>4,581,294</u>
Total capital assets	4,670,006	2,339,224	(2,287,553)	4,721,677
Less accumulated depreciation for:				
Land improvements	(2,170)	(387)	0	(2,557)
Building and building improvements	(262,296)	(36,325)	0	(298,621)
Machinery and equipment	(139,772)	(37,927)	0	(177,699)
Vehicles	(380,027)	(20,911)	0	(400,938)
	<u>(784,265)</u>	<u>(95,550)</u>	<u>0</u>	<u>(879,815)</u>
Total accumulated depreciation	(784,265)	(95,550)	0	(879,815)
Net capital assets	<u>\$3,885,741</u>	<u>\$2,243,674</u>	<u>(\$2,287,553)</u>	<u>\$3,841,862</u>

Depreciation expense was charged to programs of the primary government as follows:

Governmental activities:

General government	\$26,903
Public safety	57,766
Recreation and cultural	<u>10,881</u>
Total governmental activities	<u>\$95,550</u>

## IDA TOWNSHIP

### *Notes to Financial Statements* *Year Ended June 30, 2007*

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#### Note 9

#### Deposits

Statutes authorize the Township to invest in obligations of the U.S. Treasury, agencies and instrumentalities; commercial paper within the three highest rate classifications by at least two rating services; bankers' acceptances of U.S. banks, U.S. or agency repurchase agreements; savings accounts and certificates of deposit with banks and savings and loan associations, or credit unions which are insured with the applicable federal agency. Public funds of the Township may not be deposited in financial institutions located in states other than Michigan.

Public Act 367 of 1982 (known as the Surplus Funds Investment Pool Act) enables municipalities to invest surplus operating funds in investment pools managed by qualified financial institutions. At June 30, 2007, Ida Township had invested in such a fund with a local bank. The Township is able to retrieve these funds without restriction and, accordingly, this amount is considered to be available cash. The local bank invests these funds in a variety of instruments including bonds and direct obligations of the United States, certificates of deposit, commercial paper rated within the three highest classifications by not less than two standard rating services, United States government or federal agency obligation repurchase agreements and bankers acceptances of the United States banks.

The Township believes that, due to the dollar amounts of cash deposits and the limits of FDIC insurance, and since State of Michigan legislation does not require that all deposits be collateralized, it is impractical to insure all bank deposits. As a result, the Township evaluates each financial institution with which it deposits Township funds and assesses the level of risk at each institution; only those institutions with an acceptable estimated risk level are used as depositories.

The Board has adopted an investment policy authorizing certain types of investments and authorized three depositories: Monroe Bank and Trust, Cadre Financial Services, Inc., and National City Bank.

*Interest rate risk.* The Township's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit risk.* The Township will minimize credit risk, which is the risk of loss due to the failure of the security issuer or backer, by limiting investments to the types of securities listed in the Township's investment policy.

*Concentration of credit risk.* The Township does not place any limits on the amount the Township may deposit or invest in any one issuer.

*Custodial credit risk.* Custodial credit risk for deposits is the risk that in the event of a bank failure, the Township's deposits may not be returned or the Township will not be able to recover the collateral securities in the possession of an outside party. The Township has \$1,368,384 invested in certificates of deposit, checking accounts, and money markets. The Township's deposits are insured by the FDIC in the amount of \$223,673, with uninsured deposits of \$1,144,711. The Township's deposits are at institutions with an established record of fiscal health and service. The Township Board approves and designates a list of authorized depository institutions. The Township's investment policy does not address deposit risk.

*Foreign currency risk.* The Township is not authorized to invest in investments which have this type of risk.



## IDA TOWNSHIP

### *Notes to Financial Statements* *Year Ended June 30, 2007*

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Note 10      Pension Plan

Ida Township provides pension benefits for all of its employees through a defined contribution plan administered by Municipal Retirement Systems, Inc., which is affiliated with Travelers Insurance Company. The Plan became effective July 1, 1991. The Township contributes 7.65% of the employees' wages, and another 7.65% is withheld from the employees' wages and contributed. The contributions are 100% vested immediately.

The cost for the current fiscal year services was \$12,562 (7.65% of covered payroll) for the Township and the employees, for a total pension contribution for the year of \$25,124. The Township also paid an administrative fee of \$185. The contribution for the year was based on an estimated payroll of \$164,209. The total Township payroll for the fiscal year was \$173,995.

Note 11      Risk Management

The Township is exposed to various risks of loss related to property loss, torts, errors, omissions and employee injuries (workman's compensation). The Township has purchased commercial insurance for property loss, torts, errors, omissions and employee injuries.

# IDA TOWNSHIP

## General Fund Statement of Revenues, Expenditures, and Changes in Fund Balances Budget and Actual Year Ended June 30, 2007

	Budgeted Amounts		Actual	Positive (Negative) Budget
	Original	Final		
<b>Revenues</b>				
Taxes and Special Assessments:				
Property taxes	\$126,000	\$126,000	\$136,702	\$10,702
Special assessments	14,500	14,500	17,092	2,592
Administrative fee	34,000	34,000	38,582	4,582
	<u>174,500</u>	<u>174,500</u>	<u>192,376</u>	<u>17,876</u>
Licenses and Permits				
Business	12,000	12,000	4,388	(7,612)
Non-business	10,000	10,000	8,981	(1,019)
	<u>22,000</u>	<u>22,000</u>	<u>13,369</u>	<u>(8,631)</u>
Federal grants	65,000	65,000	0	(65,000)
State grants	340,000	340,000	334,298	(5,702)
Charges for Services:				
Fire runs	28,000	28,000	46,700	18,700
Rentals	5,700	5,700	7,200	1,500
Other	2,225	2,225	3,165	940
	<u>35,925</u>	<u>35,925</u>	<u>57,065</u>	<u>21,140</u>
Interest	6,300	6,200	24,291	18,091
Other revenue	1,430	1,430	15,006	13,576
Total Revenues	<u>645,155</u>	<u>645,055</u>	<u>636,405</u>	<u>(8,650)</u>
<b>Expenditures</b>				
Legislative:				
Township board	9,840	9,840	9,801	39
General Government:				
Supervisor	22,820	22,820	22,792	28
Assessor	36,140	36,140	33,792	2,348
Elections	9,270	9,270	8,913	357
Audit	14,000	14,000	13,400	600
Attorney	7,500	7,500	6,242	1,258
Clerk	34,808	34,808	34,294	514
Board of review	1,225	1,225	1,045	180
General administration	31,950	40,450	34,017	6,433
Treasurer	32,608	32,608	31,863	745
Buildings and grounds	70,250	64,250	41,988	22,262
Cemetery	16,065	16,865	16,017	848
	<u>276,636</u>	<u>279,936</u>	<u>244,363</u>	<u>35,573</u>

**IDA TOWNSHIP**

*General Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Year Ended June 30, 2007*

	Budgeted Amounts			Positive (Negative) Budget
	Original	Final	Actual	
<b>Expenditures (Concluded)</b>				
Public Safety:				
Fire department	\$33,410	\$35,610	\$43,678	(\$8,068)
Planning and zoning	9,700	12,700	9,239	3,461
	<u>43,110</u>	<u>48,310</u>	<u>52,917</u>	<u>(4,607)</u>
Public Works:				
Drains	1,500	1,500	990	510
Roads	250,000	242,750	143,427	99,323
Mowing	14,500	21,750	14,500	7,250
Streetlighting	15,500	15,500	15,903	(403)
	<u>281,500</u>	<u>281,500</u>	<u>174,820</u>	<u>106,680</u>
Recreation and Cultural:				
Parks and recreation	130,290	130,290	25,195	105,095
Library	1,800	1,800	663	1,137
	<u>132,090</u>	<u>132,090</u>	<u>25,858</u>	<u>106,232</u>
Debt Service:				
Principal	0	0	30,706	(30,706)
Interest	0	0	1,677	(1,677)
	<u>0</u>	<u>0</u>	<u>32,383</u>	<u>(32,383)</u>
Other:				
Pension	10,000	10,000	10,940	(940)
Insurance	46,000	46,000	44,157	1,843
Social security/Medicare	2,500	2,500	2,017	483
Capital outlay	46,000	46,000	0	46,000
Contingency	16,000	16,000	0	16,000
	<u>120,500</u>	<u>120,500</u>	<u>57,114</u>	<u>63,386</u>
Total Expenditures	<u>863,676</u>	<u>872,176</u>	<u>597,256</u>	<u>274,920</u>
Excess (Deficiency) of Revenues Over Expenditures	(218,521)	(227,121)	39,149	266,270
<b>Other Financing Sources (Uses)</b>				
Operating transfers in	54,300	8,300	21,977	13,677
Operating transfers out	0	(1,400)	(1,976)	(576)
Total Other Financing Sources (Uses)	<u>54,300</u>	<u>6,900</u>	<u>20,001</u>	<u>13,101</u>
<b>Net Change in Fund Balance</b>	(164,221)	(220,221)	59,150	279,371
Fund Balance - Beginning of year	<u>764,073</u>	<u>764,073</u>	<u>713,349</u>	<u>(50,724)</u>
Fund Balance - End of year	<u><u>\$599,852</u></u>	<u><u>\$543,852</u></u>	<u><u>\$772,499</u></u>	<u><u>\$228,647</u></u>

**IDA TOWNSHIP**

*Sewer Receiving Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Year Ended June 30, 2007*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Charges for services:				
Maintenance fees	\$15,000	\$15,000	\$25,248	\$10,248
Tap-in fees	13,000	13,000	14,916	1,916
Debt service fees	130,000	130,000	146,857	16,857
	<u>158,000</u>	<u>158,000</u>	<u>187,021</u>	<u>29,021</u>
Interest	<u>3,500</u>	<u>3,500</u>	<u>5,166</u>	<u>1,666</u>
Total Revenues	161,500	161,500	192,187	30,687
<b>Expenditures</b>				
Public works:				
Sewer maintenance	35,165	35,165	36,299	(1,134)
Debt service:				
Principal	147,937	147,937	150,780	(2,843)
Interest and fees	27,740	27,740	12,260	15,480
	<u>175,677</u>	<u>175,677</u>	<u>163,040</u>	<u>12,637</u>
Total Expenditures	<u>210,842</u>	<u>210,842</u>	<u>199,339</u>	<u>11,503</u>
<b>Net Change in Fund Balance</b>	(49,342)	(49,342)	(7,152)	42,190
Fund Balance - Beginning of year	<u>117,299</u>	<u>117,299</u>	<u>135,573</u>	<u>18,274</u>
Fund Balance - End of year	<u>\$67,957</u>	<u>\$67,957</u>	<u>\$128,421</u>	<u>\$60,464</u>

**IDA TOWNSHIP**

*Water District #1 Debt Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Year Ended June 30, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Special assessments	\$92,000	\$92,000	\$131,459	\$39,459
Interest	95,000	95,000	114,871	19,871
Other revenue	<u>12,000</u>	<u>12,000</u>	<u>0</u>	<u>(12,000)</u>
Total Revenues	199,000	199,000	246,330	47,330
<b>Expenditures</b>				
Public works	1,000	1,000	1,496	(496)
Debt service:				
Principal	120,000	120,000	120,000	0
Interest and fees	<u>88,800</u>	<u>88,800</u>	<u>87,415</u>	<u>1,385</u>
	<u>208,800</u>	<u>208,800</u>	<u>207,415</u>	<u>1,385</u>
Total Expenditures	<u>209,800</u>	<u>209,800</u>	<u>208,911</u>	<u>889</u>
Excess (Deficiency) of Revenues Over Expenditures	(10,800)	(10,800)	37,419	48,219
<b>Other Financing Sources</b>				
Operating transfers in	<u>0</u>	<u>0</u>	<u>90,238</u>	<u>90,238</u>
<b>Net Change in Fund Balance</b>	(10,800)	(10,800)	127,657	138,457
Fund Balance - Beginning of year	<u>402,969</u>	<u>402,969</u>	<u>406,500</u>	<u>(3,531)</u>
Fund Balance - End of year	<u><u>\$392,169</u></u>	<u><u>\$392,169</u></u>	<u><u>\$534,157</u></u>	<u><u>\$134,926</u></u>

**IDA TOWNSHIP**

*Nonmajor Governmental Funds  
Combining Balance Sheet  
Year Ended June 30, 2007*

	<u>Special Revenue Funds</u>		
	<u>Liquor Law Enforcement</u>	<u>Improvement Revolving</u>	<u>Building Department</u>
<b>Assets</b>			
Cash and cash equivalents	\$997	\$35,576	\$6,514
Accrued interest	0	738	0
Prepaid expenditures	<u>347</u>	<u>0</u>	<u>2,601</u>
Total Assets	<u><u>\$1,344</u></u>	<u><u>\$36,314</u></u>	<u><u>\$9,115</u></u>
<b>Total Liabilities and Fund Balances</b>			
<b>Liabilities</b>			
Accounts payable	\$0	\$0	\$357
Due to other funds	<u>0</u>	<u>0</u>	<u>8,758</u>
Total Liabilities	0	0	9,115
<b>Fund Balances</b>			
Unreserved	<u>1,344</u>	<u>36,314</u>	<u>0</u>
Total Fund Balances	<u>1,344</u>	<u>36,314</u>	<u>0</u>
Total Liabilities and Fund Balances	<u><u>\$1,344</u></u>	<u><u>\$36,314</u></u>	<u><u>\$9,115</u></u>

Capital Projects Funds				
Budget Stabilization	Ida Branch Library	Fire Department Millage	Water District #1 Construction	Total Nonmajor Governmental Funds
\$23,673	\$10,654	\$85,082	\$0	\$162,496
0	0	0	0	738
0	0	0	0	2,948
<u>\$23,673</u>	<u>\$10,654</u>	<u>\$85,082</u>	<u>\$0</u>	<u>\$166,182</u>
\$0	\$0	\$0	\$0	\$357
1,673	0	0	0	10,431
1,673	0	0	0	10,788
22,000	10,654	85,082	0	155,394
22,000	10,654	85,082	0	155,394
<u>\$23,673</u>	<u>\$10,654</u>	<u>\$85,082</u>	<u>\$0</u>	<u>\$166,182</u>

**IDA TOWNSHIP**

*Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended June 30, 2007*

	<u>Special Revenue Funds</u>		
	<u>Liquor Law Enforcement</u>	<u>Improvement Revolving</u>	<u>Building Department</u>
<b>Revenues</b>			
Property taxes	\$0	\$0	\$0
Licenses and permits	0	0	24,596
State grants	1,861	0	0
Interest	0	1,482	0
Other revenue	<u>0</u>	<u>0</u>	<u>0</u>
Total Revenues	1,861	1,482	24,596
<b>Expenditures</b>			
Public safety	2,389	0	25,172
Public works	0	19,389	0
Recreation and cultural	0	0	0
Debt service	<u>0</u>	<u>0</u>	<u>0</u>
Total Expenditures	<u>2,389</u>	<u>19,389</u>	<u>25,172</u>
Excess (Deficiency) of Revenues Over Expenditures	(528)	(17,907)	(576)
<b>Other Financing Sources (Uses)</b>			
Operating transfers in	1,400	0	576
Operating transfers out	<u>0</u>	<u>(12,596)</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>1,400</u>	<u>(12,596)</u>	<u>576</u>
<b>Net Change in Fund Balances</b>	872	(30,503)	0
Fund Balances - Beginning of year	<u>472</u>	<u>66,817</u>	<u>0</u>
Fund Balances - End of year	<u><u>\$1,344</u></u>	<u><u>\$36,314</u></u>	<u><u>\$0</u></u>



Capital Projects Funds				
Budget Stabilization	Ida Branch Library	Fire Department Millage	Water District #1 Construction	Total Nonmajor Governmental Funds
\$0	\$78,741	\$80,727	\$0	\$159,468
0	0	0	0	24,596
0	0	0	0	1,861
1,081	887	2,449	339	6,238
0	200	4,333	0	4,533
1,081	79,828	87,509	339	196,696
0	0	65,317	0	92,878
0	0	0	0	19,389
0	1,075	0	0	1,075
0	79,297	0	0	79,297
0	80,372	65,317	0	192,639
1,081	(544)	22,192	339	4,057
0	0	0	0	1,976
(1,081)	0	(8,300)	(90,238)	(112,215)
(1,081)	0	(8,300)	(90,238)	(110,239)
0	(544)	13,892	(89,899)	(106,182)
22,000	11,198	71,190	89,899	261,576
\$22,000	\$10,654	\$85,082	\$0	\$155,394

**IDA TOWNSHIP**

*Liquor Law Enforcement Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Budget and Actual*  
*Year Ended June 30, 2007*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
State grants:				
Liquor license fees	\$1,700	\$1,700	\$1,861	\$161
Total Revenues	1,700	1,700	1,861	161
<b>Expenditures</b>				
Public safety:				
Liquor inspection	2,388	2,388	2,389	(1)
Excess (Deficiency) of Revenues Over Expenditures	(688)	(688)	(528)	160
<b>Other Financing Sources</b>				
Operating transfers in	1,400	1,400	1,400	0
<b>Net Change in Fund Balance</b>	712	712	872	160
Fund Balance - Beginning of year	473	473	472	(1)
Fund Balance - End of year	\$1,185	\$1,185	\$1,344	\$159

**IDA TOWNSHIP**

*Improvement Revolving Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Year Ended June 30, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$1,000	\$1,000	\$1,482	\$482
<b>Expenditures</b>				
Public works	<u>34,000</u>	<u>34,000</u>	<u>19,389</u>	<u>14,611</u>
Excess (Deficiency) of Revenues Over Expenditures	(33,000)	(33,000)	(17,907)	(14,129)
<b>Other Financing Sources</b>				
Operating transfers out	<u>0</u>	<u>0</u>	<u>(12,596)</u>	<u>(12,596)</u>
<b>Net Change in Fund Balance</b>	(33,000)	(33,000)	(30,503)	(26,725)
Fund Balance - Beginning of year	<u>64,761</u>	<u>64,761</u>	<u>66,817</u>	<u>2,056</u>
Fund Balance - End of year	<u><u>\$31,761</u></u>	<u><u>\$31,761</u></u>	<u><u>\$36,314</u></u>	<u><u>(\$24,669)</u></u>

**IDA TOWNSHIP**

*Building Department Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balances*  
*Budget and Actual*  
*Year Ended June 30, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Non-business licenses and permits	\$25,000	\$25,000	\$24,596	(\$404)
<b>Expenditures</b>				
Public safety:				
Building inspector	<u>28,675</u>	<u>28,675</u>	<u>25,172</u>	<u>3,503</u>
Excess (Deficiency) of Revenues Over Expenditures	(3,675)	(3,675)	(576)	3,099
<b>Other Financing Sources</b>				
Operating transfers in	<u>0</u>	<u>0</u>	<u>576</u>	<u>576</u>
<b>Net Change in Fund Balance</b>	(3,675)	(3,675)	0	3,675
Fund Balance - Beginning of year	<u>4,369</u>	<u>4,369</u>	<u>0</u>	<u>(4,369)</u>
Fund Balance - End of year	<u>\$694</u>	<u>\$694</u>	<u>\$0</u>	<u>(\$694)</u>

**IDA TOWNSHIP**

*Budget Stabilization Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Budget and Actual  
Year Ended June 30, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Interest	\$690	\$690	\$1,081	\$391
<b>Expenditures</b>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenue Over Expenditures	690	690	1,081	391
<b>Other Financing Uses</b>				
Operating transfers out	<u>(690)</u>	<u>(690)</u>	<u>(1,081)</u>	<u>(391)</u>
<b>Net Change in Fund Balance</b>	0	0	0	0
Fund Balance - Beginning of year	<u>22,000</u>	<u>22,000</u>	<u>22,000</u>	<u>0</u>
Fund Balance - End of year	<u><u>\$22,000</u></u>	<u><u>\$22,000</u></u>	<u><u>\$22,000</u></u>	<u><u>\$0</u></u>

**IDA TOWNSHIP**

*Ida Branch Library Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget and Actual  
Year Ended June 30, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Revenues</b>				
Property taxes	\$72,002	\$72,002	\$78,741	\$6,739
Interest	450	450	887	437
Other revenue:				
Contributions	<u>300</u>	<u>300</u>	<u>200</u>	<u>(100)</u>
Total Revenues	72,752	72,752	79,828	7,076
<b>Expenditures</b>				
Recreation and cultural	620	620	1,075	(455)
Debt service:				
Principal	71,000	71,000	75,191	(4,191)
Interest	<u>0</u>	<u>0</u>	<u>4,106</u>	<u>(4,106)</u>
	<u>71,000</u>	<u>71,000</u>	<u>79,297</u>	<u>(8,297)</u>
Total Expenditures	<u>71,620</u>	<u>71,620</u>	<u>80,372</u>	<u>(8,752)</u>
<b>Net Change in Fund Balance</b>	1,132	1,132	(544)	(1,676)
Fund Balance - Beginning of year	<u>11,047</u>	<u>0</u>	<u>11,198</u>	<u>11,198</u>
Fund Balance - End of year	<u><u>\$12,179</u></u>	<u><u>\$1,132</u></u>	<u><u>\$10,654</u></u>	<u><u>\$9,522</u></u>

# IDA TOWNSHIP

*Fire Department Millage Fund*  
*Statement of Revenues, Expenditures, and Changes in Fund Balance*  
*Budget and Actual*  
*Year Ended June 30, 2007*

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>Revenues</b>				
Property taxes	\$71,020	\$71,020	\$80,727	\$9,707
Interest	800	800	2,449	1,649
Other revenue	0	0	4,333	4,333
<b>Total Revenues</b>	<b>71,820</b>	<b>71,820</b>	<b>87,509</b>	<b>15,689</b>
<b>Expenditures</b>				
Public safety:				
Other	49,095	49,095	32,971	16,124
Repairs and maintenance	16,000	16,000	10,608	5,392
Capital outlay	5,000	23,400	21,738	1,662
<b>Total Expenditures</b>	<b>70,095</b>	<b>88,495</b>	<b>65,317</b>	<b>23,178</b>
Excess (Deficiency) of Revenues Over Expenditures	1,725	(16,675)	22,192	38,867
<b>Other Financing Sources</b>				
Operating transfers in	7,500	7,500	0	(7,500)
Operating transfers out	(8,300)	(8,300)	(8,300)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(800)</b>	<b>(800)</b>	<b>(8,300)</b>	<b>(7,500)</b>
<b>Net Change in Fund Balance</b>	<b>925</b>	<b>(17,475)</b>	<b>13,892</b>	<b>31,367</b>
Fund Balance - Beginning of year	79,870	79,870	71,190	(8,680)
Fund Balance - End of year	<u>\$80,795</u>	<u>\$62,395</u>	<u>\$85,082</u>	<u>\$22,687</u>

**IDA TOWNSHIP**

*Water District #1 Construction Fund  
Statement of Revenues, Expenditures, and Changes in Fund Balance*

*Year Ended June 30, 2007*

	<u>Actual</u>
<b>Revenues</b>	
Interest	\$339
<b>Expenditures</b>	
Capital outlay	<u>0</u>
Excess (Deficiency) of Revenues Over Expenditures	339
<b>Other Financing Sources</b>	
Operating transfers out	<u>(90,238)</u>
<b>Net Change in Fund Balance</b>	(89,899)
Fund Balance - Beginning of year	<u>89,899</u>
Fund Balance - End of year	<u><u>\$0</u></u>



**IDA TOWNSHIP**

*Tax Collection Agency Fund  
Statement of Changes in Assets and Liabilities*

*June 30, 2007*

	<u>Balance</u> <u>July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2007</u>
<b>Assets</b>				
Cash	<u>\$2,372</u>	<u>\$3,913,394</u>	<u>\$3,912,014</u>	<u>\$3,752</u>
<b>Liabilities</b>				
Due to other governmental units	<u>\$2,372</u>	<u>\$3,913,394</u>	<u>\$3,912,014</u>	<u>\$3,752</u>



**COOLEY HEHL  
WOHLGAMUTH & CARLTON**  
P. L. L. C. Certified Public Accountants

James R. Cooley, CPA  
David K. Hehl, CPA  
Robert W. Wohlgamuth, CPA  
Peter H. Carlton, CPA  
Matthew D. Hehl, CPA  
Deborah A. Sabo, CPA

One South Monroe Street • Monroe, Michigan 48161-2281  
Telephone: (734) 241-7200 • Fax: (734) 241-2637  
[www.chwccpa.com](http://www.chwccpa.com)

Members:  
American Institute of Certified Public Accountants  
Michigan Association of Certified Public Accountants  
Division for CPA Firms American Institute of  
Certified Public Accountants

Township Board  
Ida Township  
Monroe County, Michigan

In planning and performing our audit of the financial statements of Ida Township as of and for the year ended June 30, 2007, in accordance with auditing standards generally accepted in the United States of America, we considered the Township's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Township's internal control. Accordingly, we do not express an opinion on the effectiveness of the Township's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as discussed below, we identified a deficiency in internal control that we consider to be a significant deficiency and a deficiency that we consider to be a material weakness.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the following deficiency to be a significant deficiency in internal control:

General Ledger

One of the important parts of the system of checks and balances between the Clerk and Treasurer is the comparing of the month-end cash balances. Once the Treasurer reconciles the monthly bank statements, the Clerk needs to compare the results with the cash balances of the general ledger and reconcile any differences.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control. We believe that the following deficiency constitutes a material weakness.

Financial Statements

The Township does not have procedures in place to prepare financial statements in accordance with accounting principles generally accepted in the United States of America, including procedures to record accruals for revenues and expenditures, to track changes in capital assets, and to present required financial statement disclosures. As is the case with many smaller and medium-sized entities, the government has historically relied on independent external auditors to assist in the preparation of the government-wide financial statements and footnotes. As a result of this condition, the government lacks internal controls over the preparation of the financial statements in accordance with GAAP.

This communication is intended solely for the information and use of the Township Board, management, others within the Township and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Cooley Hehl Wohlgamuth & Carlton*

August 8, 2007